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ENCLOSURE B

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TABLE 1A

ESTIMATED IMPORTS OF CRUDE OIL AND REFINED
PRODUCTS INTO OEEC COUNTRIES 1950-51

From	<u>1,000 MT/Y</u>			<u>Crude Percent</u>	<u>Products Percent</u>	<u>Total Percent</u>
	<u>Crude</u>	<u>Products</u>	<u>Total</u>			
<u>Eastern Hemisphere</u>						
Middle East (Includes US military)	38,065	8,321	46,386	89.69	41.39	74.16
Other	---	100	100	---	.50	.16
Total	38,065	8,421	46,486	89.69	41.89	74.32
<u>Western Hemisphere</u>						
USA	150	1,850	2,000	.35	9.20	3.20
Caribbean	4,067	9,604	13,671	9.58	47.77	21.86
Other	160	230	390	.38	1.14	.62
	4,377	11,684	16,061	10.31	58.11	25.68 23.68
GRAND TOTAL	42,442	20,105	62,547	100.00	100.00	100.00

TABLE 1B

ESTIMATED INTERNATIONAL BUNKER LIFTINGS (REFINED
PRODUCTS) IN THE PERSIAN GULF AREA

1950 - 1951

	<u>1,000 MT/Y</u>	<u>Percent</u>
From Iran	4,000	66.67
From Other Middle East	2,000	33.33
Total	6,000	100.00

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TABLE II

~~CONTROL~~
~~OWNERSHIP~~ OF WORLD CRUDE RESERVES

1950-1951

25X6A

Area	United States 1000 MT	%			Other 1000 MT	%	Total 1000 MT	% World Total
<u>Eastern Hemisphere</u>								
Middle East								
Iraq	170,445	23.7	378,288	52.6	170,445	23.7	719,178	7.2
Kuwait	753,424	50.0	753,424	50.0	—	—	1,506,849	15.1
Saudi Arabia	1,232,877	100.0	—	—	—	—	1,232,877	12.3
Iran	—	—	958,904	100.0	—	—	958,904	9.6
Bahrain	—	—	21,917	100.0	—	—	21,917	.2
Total	2,156,746	—	2,112,533	—	170,445	23.7	4,439,725	44.4
East Indies Islands	62,172	31.3	136,459	68.7	—	—	198,631	2.0
OEEC Countries	5,834	20.0	7,293	25.0	16,044	55.0	29,171	.3
Total	68,006	—	143,752	—	16,044	—	227,802	—
<u>Western Hemisphere</u>								
US	3,713,562	100.0	—	—	—	—	3,713,562	37.0
25X6A	—	—	—	—	116,438	100.0	116,438	1.2
Caribbean Exporting Areas	888,865	61.5	550,663	38.1	5,781	0.4	1,445,309	14.5
Total	4,602,427	—	550,663	—	122,219	—	5,275,309	—
Other	—	—	—	—	—	1.4	45,136	.5
TOTAL WORLD							9,987,972	

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TABLE III

OWNERSHIP OF WORLD CRUDE PRODUCTION
1950-1951

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25X6A

Area	United States 1000 MT Percent				Other 1000 MT Percent		Total 1000 MT Percent of World Total	
<u>Eastern Hemisphere</u>								
<u>Middle East</u>								
Iraq	1,720	23.7	3,810	52.5	1,720	23.7	7,250	1.44
Kuwait	9,500	50.0	9,500	50.0	-	-	19,000	3.77
Saudi Arabia	29,750	100.0	-	-	-	-	29,750	5.91
Iran	-	-	35,000	100.0	-	-	35,000	6.95
Qatar	476	23.8	1,048	52.4	476	23.8	2,000	.40
Bahrein	-	-	1,500	100.0	-	-	1,500	.30
Total	<u>41,446</u>		<u>50,858</u>		<u>2,196</u>		<u>94,500</u>	<u>18.77</u>
East Indies Islands	3,350	31.3	7,350	68.7	-	-	10,700	2.13
OEEC Countries	<u>538</u>	20.0	<u>681</u>	25.0	<u>1,563</u>	55.0	<u>2,782</u>	.55
Total	3,888		8,031		1,563		13,482	
<u>Western Hemisphere</u>								
25X6A & East Asia	288,750	100.0	-	-	-	-	288,750	57.36
	-	-	-	-	10,000	100.0	10,000	1.99
Caribbean Exporting Areas	<u>55,055</u>	61.5	<u>34,108</u>	38.1	<u>327</u>	0.4	<u>89,490</u>	17.77
Total	343,805		34,108		10,327		388,240	
Other	-	-	-	-	-	1.4	<u>7,110</u>	1.41
Total World							503,332	

TABLE IV

OWNERSHIP OF WORLD REFINING CAPACITY
1950-1951

25X6A

Area	United States 1000 MT Percent		Other 1000 MT Percent		Total 1000 MT Percent of World Total	
<u>Eastern Hemisphere</u>						
<u>Middle East</u>	-	-	800	100.00	-	800 .02
Kuwait	625	50.00	625	50.00	-	1,250 .25
Saudi Arabia	6,500	100.00	-	-	-	6,500 1.30
Abadan	-	-	27,500	100.00	-	27,500 5.52
Tripoli	142	23.75	285	42.50	173	600 .01
Bahrain	8,000	100.00	-	-	-	8,000 1.61
Total	15,267		29,210		173	44,650
East Indies Islands	3,200	31.68	6,900	68.32	-	10,100 2.03
25X6A & East Asia	-	-	-	-	-	2,500 .50
	-	-	-	-	-	650 .01
Northern Africa & Spain	-	-	-	-	-	3,450 .68
OEEC Countries	-	-	-	-	-	44,429 8.92
	3,200		6,900		-	61,129
<u>Western Hemisphere</u>						
<u>United States</u>	-	-	-	-	-	300,000 60.20
	-	-	-	-	15,500	100.00 15,500 3.11
	-	-	-	-	8,350	100.00 8,350 1.68
<u>Caribbean Exporting Areas</u>						
Colombia	1,420	100.00	-	-	-	1,420 .28
Venezuela	7,007	57.2	5,243	42.8	-	12,250 2.46
Peru	1,452	96.8	24	1.6	24	1,500 .30
Ecuador	-	-	230	100.00	-	230 .00
Trinidad	-	-	4,750	100.00	-	4,750 .95
Netherlands I. Indies	21,000	53.4	18,300	46.6	-	39,300 7.89
Total	30,879		28,547		23,874	383,300
Other Latin America	-	-	-	-	-	9,250 1.86
Total	30,879		28,547		23,874	392,550

Total World

498,329

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TABLE V
LOSS OF IRANIAN OIL
 (Millions of Units)

1. Production - physical quantities (1950-51)
 - a. Crude 35 MT/Y (metric tons per year)
 - b. Refined 25 MT/Y
2. Loss of crude imports from Iran by Western Europe 7.5 MT/Y
3. Dollar element of cost in replaced crude \$55
4. Loss of refined products imported from Iran by Western Europe and Sterling Area 25 MT/Y
5. Annual dollar cost of replacing refined (Item 4) \$765-775
6. Gross dollar cost of replacing crude and refined (Items 3 and 5) \$820-830
7. Dollar savings - equipment and services \$110-120
8. Estimated net dollar cost annually (Item 6 minus Item 7) \$710

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TABLE VI

LOSS OF ALL MIDDLE EAST OIL

(Millions of Units)

1. Production - physical quantities (1950-51)	
a. Crude	94.5 MT/Y
b. Refined	44.7 MT/Y
2. Loss of crude imports from Middle East by Western Europe	43.5 MT/Y
3. Dollar element in replaced crude	\$800
4. Loss of refined products imported from Middle East by Western Europe and Sterling Area	38 MT/Y
5. Annual dollar cost of replacing refined (Item 4)	\$1200
6. Gross dollar cost of replacing crude and refined (Items 3 and 5)	\$2000
7. Dollar savings - equipment and supplies, profits to Bahrien Petroleum Co., dollar element in goods furnished Middle East by Western Europe, etc.	\$600
8. Estimated <u>net</u> dollar cost annually assuming no cutback in current requirements (Item 6 minus Item 7)	\$1400
9. Ten percent cutback would save	\$300

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4. It is estimated that if a cutback of 10 percent from present levels of oil consumption were imposed on Western Europe, it would permit maintenance of industrial production at approximately the levels of late 1950, and of transportation at the extreme minimum necessary for that purpose. No appreciable expansion of industry, whether for ~~economic~~ ^{viability} or for rearmament, would be possible. Rationing of even 10 percent would present great difficulties in time of peace.

5. Loss of the total oil production of the Middle East would have an extremely serious effect upon Western European viability, and would make the Western European rearmament program impossible of accomplishment without severe repercussions on the US economy.

*economic
normal development*

2nd and 3rd

New 6 - 1st and 2nd and 3rd

(Rearmament is necessary in order to protect)

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world. This would call for severe rationing in the United States as well as elsewhere. Complete international cooperation in establishing an inclusive system of international allocation and price control would be required.

4. It is estimated that a cutback of 10 percent from present levels of oil consumption would permit maintenance of Western European industrial production at approximately the levels of late 1950, and of transportation at the extreme minimum necessary for that purpose. No appreciable expansion of industry, whether for achieving viability or for rearmament, would be possible. Rationing of even 10 percent would present great difficulties in time of peace.

5. Loss of the total oil production of the Middle East would thus constitute a disaster to present prospects for a restoration of Western European viability, and it would make the Western European rearmament program, as currently contemplated, impossible of accomplishment. It would be impossible to develop alternative sources of energy within the period of this program.

6. It should be noted, however, that even should the Soviet Union gain control of the output of Middle East oil, it would not be able to use it save to a limited degree under present availabilities of transportation. The USSR would probably, therefore, in time of peace wish to sell considerable amounts of Middle East oil to Western Europe. Since Western European oil requirements cannot adequately be met from other sources, the USSR would thereby acquire considerable bargaining power in seeking to acquire strategic materials and manufactured products.

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